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## E. Enhancement Pool Funded by Transfer From Parish Owned Nursing Facilities

### 1. Enhancement Pool Creation

An enhancement pool is created to increase reimbursement to parish owned facilities in proportion to their share of Medicaid days provided during the reporting period used to set rates. The pool is created subject to availability of funds and subject to the payment limits of 42 CFR 447.272 (payments may not exceed the amount that can reasonably be estimated to be paid under Medicare payment principles).

### 2. Calculation of Nursing Facility Payment Differential

The nursing facility payment differential for any year shall be the difference between the upper limit of aggregate payments to nursing facilities as defined in 42 CFR §447.272 and the aggregate Medicaid per diem reimbursement paid to nursing facilities for the year, determined for all nursing facilities participating in the state's Medicaid Program, or for a subset of these facilities that embraces parish-owned nursing facilities for which a separate upper payment limit calculation is required by 42 CFR §447.272 as in effect in that year.

#### 3. Calculation of Enhancement Pool Amount

Total payments from the pool in any year shall not exceed a percentage of the nursing facility payment differential that will be determined by the Department for each payment year.

### 4. Enhancement Pool Distribution

The entire enhancement pool amount shall be distributed on a quarerly basis to qualifying parish-owned nursing facilities based on their pro-rata share

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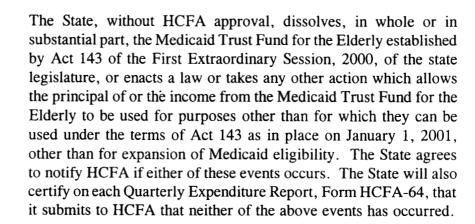
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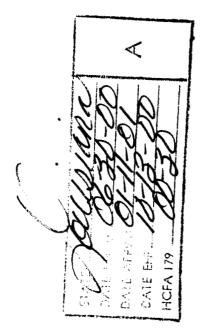
7. Special Condition to Assure Use of Funds for Health Care Purposes

This section E. shall remain in effect until one of the following events occurs:

- The effective date of a HCFA approval of an amendment to the plan a. withdrawing this section E;
- The effective date of a HCFA approval of an amendment effectively b. superseding this section;



ADDITIONAL REQUIREMENT: In the event any of the conditions specified in paragraph c. of this sub-section 7 occurs, or if the State fails to make the certification referred to in paragraph c. after reasonable (30 days) notice of its failure to do so, the State agrees to return an amount equal to the entire corpus of the Medicaid Trust Fund for the Elderly (at the time just preceding the event) to HCFA in the same manner, and subject to the same terms and conditions, including but not limited to the provisions of 42 CFR §430.48, as if that amount had been disallowed by HCFA pursuant to §1903(d) of the Social Security Act. Should the State



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# STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT MEDICAL ASSISTANCE PROGRAM

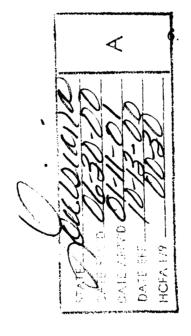
STATE OF LOUISIANA

of the total annual Medicaid days of care of all qualifying parish-owned nursing facilities. Determination of annual Medicaid occupancy level and Medicaid days of care shall be based on the most recently filed cost reports on file with the Department.

- 5. Definition of Qualifying Facilities
  - Qualifying facilities are parish-owned nursing facilities that: a.
    - have an annual Medicaid occupancy level at or above sixty (i) percent (60%);
    - (ii) provide 12,000 or more Medicaid days of care annually; and
    - have entered into (or be part of a parish government that has (iii) entered into) a transfer agreement with the Department providing for an intergovenmental transfer of funds.

### Determination of Upper Limit

For purposes of the Enhancement Pool payments covered by this section E., the upper limit of aggregate payments to nursing facilities pursuant to 42 CFR §447.272 shall be determined using the RUGS III classification system utilized in determining nursing home reimbursement in the Medicare program. MDS data will be utilized to determine the classification of Medicaid-eligible residents of nursing homes participating in the State's Medicaid program. Payment rates for each classification will be those published by HCFA for Medicare, as adjusted by the HCFA published wage indexes. The Medicare payment rates will be further adjusted to reflect add-ons enacted by statute, and additional adjustments will be made to achieve comparability of Medicare and Medicaid rates (including adjustments to offset disparities in the various components of the Medicare and Medicaid rates).



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STATE OF LOUISIANA

fail to reflect the return of such amount on its first Expenditure Report, HCFA Form HCFA-64, submitted following the events described in paragraph c, the State agrees that HCFA shall disallow that amount, pursuant to §1903(d) and subject to 42 CFR 430.48, on the grant award that is based on the Expenditure Report where the return of such funds should have been reflected.

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